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Invesco Optional Retirement Program (ORP) Distribution Form

Use this form to request a distribution from your Invesco ORP account.

Invesco

PLEASE USE BLUE OR BLACK INK **PLEASE PRINT CLEARLY IN BLOCK CAPITAL LETTERS**

Start here >. Use "Tab" key to move to next field.

1 Employee Information

Social Security Number *(Exactly as it appears on account.)*

☐☐☐ – ☐☐ – ☐☐☐☐

Existing Invesco Account Number

☐☐☐☐☐☐☐☐☐☐

Account Registration *(Please print name as it appears on account.)*

Daytime Phone Number

☐☐☐ – ☐☐☐ – ☐☐☐☐

Evening Phone Number

☐☐☐ – ☐☐☐ – ☐☐☐☐

Date of Birth (mm/dd/yyyy)

☐☐ / ☐☐ / ☐☐☐☐

2 Employer Information

Plan Name

3 Reason for Distribution

We recommend that you speak with a tax or financial adviser regarding the consequences of this distribution. A distribution cannot be made from an ORP account except for the following reasons. *(Select one.)*

IMPORTANT NOTE - A verification of status form signed by your employer must be attached for all distributions except when requesting transfer of assets or termination of employer's plan. Distributions for transfer of assets and termination of employer's plan require an employer's signature in section 12.

☐ **Severance from Employment/Early Distribution, No Known Exception** - Employee has had a severance from employment with the employer who sponsors the plan. **Note**: You may rollover your account to an IRA or an employer-sponsored retirement plan without incurring any tax liability, provided the distribution is otherwise eligible for rollover (e.g. not an installment distribution over a period of more than ten years; not the portion representing a required minimum distribution after age 70½.) If you are under age 55 and you take distributions from your account, and if the distributions are not rolled over, such distributions will be taxed as ordinary income and you may incur a 10% early distribution penalty.

☐ **Severance from Employment/Early Distribution, Exception Applies** - Employee has had a severance from employment with the employer who sponsors the plan and has reached age 55. **Note**: if you have reached age 55, distributions from your account, if not rolled over, will be taxed as ordinary income and not incur an early distribution penalty.

☐ **Required Minimum Distribution** - Employee has reached the age of 70½ and is taking required minimum distributions. *(Complete sections 4, 6, 9-13.)*

☐ **Age 70½ and continuing employment.**

☐ **Death** - Employee has died. *(Complete sections 4, 7, 9-13.)*

☐ **Qualified Domestic Relations Order (Divorce)** - Employee has been ordered by a court to transfer or distribute assets from the account to a current or former spouse or child of the employee pursuant to a qualified domestic relations order. **Note**: If the recipient wishes to deposit the assets being transferred or distributed into an Invesco account in his or her name, he or she must complete an account application unless an account is already established. If the recipient is a spouse or former spouse, he or she may also roll over the assets being transferred into an IRA or qualified retirement plan.

☐ **Termination of Employer's ORP Plan** - Employer's signature required in section 12.

☐ **Transfer of Assets** - Employee is transferring the assets from an Invesco ORP custodial account to another contract or custodial account not maintained by the custodian. **Note:** A letter of acceptance (or similar form) signed by the new custodian and a representation signed by the new custodian or employer that the new custodian is an approved vender under the employer's plan or has obtained an employer information sharing agreement with the employer, necessary to comply with Section 403(b) of the Code and the final regulations promulgated there under, are required prior to the custodian making any transfers.

☐ **Direct Rollover** - Employee is rolling over assets into another retirement plan or ☐ **Direct Conversion** - Employee is rolling over pre-tax contributions into a Roth IRA. One of the following must apply to be eligible to rollover or convert assets.

- ☐ Severance from employment/plan termination
- ☐ Age 70½ and continuing employment
- ☐ Death of employee *(See section 7.)*
- ☐ Other ____________________

4 Federal Income Tax Withholding *(You must make an election if 20% mandatory withholding does not apply.)*

All ORP distributions are subject to 20% federal income tax withholding except for direct rollovers, asset transfers, required minimum distributions, and periodic distributions of equal size distributed at least annually over at least a 10 year period.

If 20% mandatory withholding does apply to your distribution, IIS will automatically withhold this amount.
If 20% mandatory withholding does not apply to your distribution, 10% withholding will apply unless you indicate below a different percentage to withhold.

☐ I do not want any federal income tax withheld from my distribution.

☐ I want federal income tax withholding at a rate of ☐☐ %. *(Must be 10% or greater.)*
Withholding will only apply to the portion of your distribution that is included in your income subject to federal income tax. Thus, for example, there will be no withholding on the return of your own nondeductible contributions. If you elect not to have withholding applied to your distributions, or if you do not have enough federal income tax withheld from your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Note: Distributions and withholding are taxable and may be subject to a 10% premature distribution penalty if you are under 59½ years of age unless an exception applies.

5 Distribution Instructions: *(Complete option A and B.)*

A. AMOUNT OF DISTRIBUTION: *(Select one.)*

☐ Distribute the entire account. Do not select this option if you elect to receive periodic distributions.

☐ I would like to receive the following dollar amount from the account (net): $ ☐☐☐ , ☐☐☐ . ☐☐ . I authorize and direct IIS to redeem additional fund shares in amounts necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. I understand that this amount will be reduced by any applicable redemption fees. (If you selected the one-time distribution frequency, this will be the amount of your one-time distribution. If you select the periodic distribution frequency, this will be the amount of each installment.)

☐ Distribute the following dollar amount from my account (gross): $ ☐☐☐ , ☐☐☐ . ☐☐ . I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. (If you select the one-time distribution frequency, this will be the amount of your one-time distribution. If you select periodic distribution frequency, this will be the amount of each installment.)

B. FREQUENCY: *(Select one.)*

☐ One-time distribution.

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency *(Select only one option below.)*
   ☐ Monthly ☐ Quarterly ☐ Annually *(Not available for Class B or C shares.)*
2. Transactions should begin during the month of ___________________________ (e.g., Jan., Feb., etc.)
3. Transactions should occur on the following day of the month ________ (with the exception of the 29th, 30th and 31st)

6 Required Minimum Distributions *(Complete option A or B and complete C.)*

If you are taking required minimum distributions (because you have attained age 70½), you may calculate the amount required to be withdrawn from your account each year or IIS can calculate the amount required to be withdrawn. If you fail to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulations tax imposed by the IRS. *(Check all that apply.)*

A. INVESTOR TO RECALCULATE ANNUALLY:

Note: The amount of your required minimum distribution will change each year, based on your account value at the end of the proceeding year. You are responsible for recalculating the amount of your required distribution for each year and providing IIS with new distribution instructions, as necessary. The amount shown below will continue to be distributed on a *monthly* or *quarterly* basis until you instruct us otherwise.

☐ I have calculated the amount of my required minimum distribution and would like it paid out as follows:

☐ I would like to receive the following dollar amount from the account: (net) $ ☐☐☐ , ☐☐☐ . ☐☐ . I authorize and direct IIS to redeem additional fund shares in amounts necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. I understand that this amount will be reduced by any applicable redemption fees. (If you selected the one-time distribution frequency, this will be the amount of your one-time distribution. If you select the periodic distribution frequency, this will be the amount of each installment.)

☐ Distribute the following dollar amount from my account: (gross) $ ☐☐☐ , ☐☐☐ . ☐☐ . I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. (If you select the one-time distribution frequency, this will be the amount of your one-time distribution. If you select periodic distribution frequency, this will be the amount of each installment.)

B. INVESCO TO RECALCULATE ANNUALLY:

☐ I would like IIS to calculate my required minimum distribution and pay it out based on the following elections:
Note: If this method is selected, *proportionate* is the only option available under *redemption instructions*.

☐ Determine my required minimum distribution amount using the IRS Uniform Lifetime Table.

☐ Determine my required minimum distribution amount using the IRS Joint Life Expectancy Table. (This option is only available if your spouse is and has been your sole primary beneficiary during the entire calendar year for which you are taking the distribution and he or she is more than ten years younger than you.)

My spouse's date of birth is: ☐☐ / ☐☐ / ☐☐☐☐

C. FREQUENCY: *(Select one.)*

☐ One-time distribution
Note: If you selected Investor to recalculate annually, you are responsible for submitting new instructions to IIS each year in order to receive subsequent distributions.

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency *(Select only one option below.)*

   ☐ Monthly ☐ Quarterly ☐ Annually *(option not available for Investors recalculating required minimum distribution)*

2. Transactions should begin during the month of ___________________________ (e.g., Jan., Feb., etc.)

3. Transactions should occur on the following day of the month ________ (with the exception of the 29th, 30th and 31st)

7 Death Distribution(s) Information

Additional Documentation Requirements:

- A **certified copy** of the depositor's death certificate or a certified copy of letters testamentary indicating the depositor's date of death must be provided.*
- If a beneficiary is requesting an immediate distribution of his or her entire interest in the account, he or she must submit a completed IRS Form W-9.
- An heir or devisee of the depositor claiming assets pursuant to a small estate administration, must provide a certified (in states where applicable) copy of the affidavit of small estate.*
- If a beneficiary is electing to maintain the account and distribute his or her interest in five years or over the life expectancy, the beneficiary must submit a completed Invesco IRA Account Application.

**A medallion signature guarantee in section 13 of this form may be provided in lieu of certified documents.*

Additional Information:

- If no beneficiary is named on the account and the depositor was unmarried at the time of death, any assets remaining in the account will be distributed to the depositor's estate.
- If there are multiple beneficiaries, each beneficiary may make elections relative to his or her share of the account if separate accounts for each beneficiary are established by December 31 of the year following the year of the depositor's death. Otherwise, distribution generally will be based on the life expectancy of the oldest beneficiary. Additional rules may apply. For more information on these rules, please see IRS Publication 590 or call Invesco Investment Services, Inc. (IIS).
- If the beneficiary wishes to take required minimum distributions, the beneficiary may calculate the amount required to be withdrawn from the account each year or IIS can calculate the amount required to be withdrawn. If a beneficiary fails to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulations tax imposed by the IRS.
- If the depositor dies before required minimum distributions have commenced, all assets remaining in the depositor's account must be distributed by the end of the fifth year following the depositor's death unless (i) the beneficiary is a natural person or qualifying trust designated by the depositor (a designated beneficiary) and required minimum distributions are taken beginning in the year following the year of the depositor's death (in which case, distributions must be made over the designated beneficiary's life expectancy), or (ii) the depositor has designated the depositor's spouse as beneficiary (in which case, distributions must be made over the spouse's life expectancy beginning no later than December 31 of the year in which the depositor would have attained age 70½).
- If the depositor dies after required minimum distributions have commenced, the account will be distributed (i) if the depositor named a designated beneficiary, over the longer of the depositor's remaining life expectancy at death or the designated beneficiary's life expectancy, (ii) if the depositor named the depositor's spouse as the designated beneficiary, over the longer of the depositor's remaining life expectancy at death or spouse's life expectancy, (iii) if the depositor did not name a designated beneficiary, over the depositor's remaining life expectancy at death.

DISTRIBUTION INSTRUCTIONS: *(Complete option A, B or C.)*

A. ☐ **DISTRIBUTE THE ENTIRE ACCOUNT** *(Do not select this option if you are electing to receive periodic payments.)*

B. ☐ **BENEFICIARY TO RECALCULATE ANNUALLY:**
Note: The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. **You are responsible for re-calculating the amount of your required distribution for each year and providing IIS with updated instructions, as necessary.** The amount shown below will continue to be made to you on a monthly or quarterly basis until you instruct us otherwise.

☐ I would like to receive the following dollar amount from the account: (net) $ ☐☐☐ , ☐☐☐ . ☐☐ . I authorize and direct IIS to redeem additional fund shares in amounts necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. I understand that this amount will be reduced by any applicable redemption fees. (If you selected the one-time distribution frequency, this will be the amount of your one-time distribution. If you select the periodic distribution frequency, this will be the amount of each installment distribution.)

☐ Distribute the following dollar amount from my account: (gross) $ ☐☐☐ , ☐☐☐ . ☐☐ . I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. (If you select the one-time distribution frequency, this will be the amount of your one-time distribution. If you select periodic distribution frequency, this will be the amount of each installment distribution.)

FREQUENCY: *(Select one.)*

☐ This is a one-time distribution.
Note: You may be required to receive a minimum distribution each year. The amount of the required distribution will change each year, based on your account value at the end of the preceding year. If you select this option, no other distributions will be made to you unless and until you instruct us otherwise.

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency *(Select only one option below.)*
   ☐ Monthly ☐ Quarterly
2. Transactions should begin during the month of ___________________________ (e.g., Jan., Feb., etc.)
3. Transactions should occur on the following day of the month ________ (with the exception of the 29th, 30th and 31st)

C. ☐ **INVESCO ANNUAL RECALCULATION METHOD:** ***(If this method is selected, proportionate is the only option available under redemption instructions.)***

I would like IIS to calculate the required minimum distribution each year and pay it out based on the following information:

Select one:

☐ I am the surviving spouse of the employee. My date of birth is: (mm/dd/yyyy)

☐☐ / ☐☐ / ☐☐☐☐

☐ I am not the surviving spouse of the employee. My date of birth is: (mm/dd/yyyy)

☐☐ / ☐☐ / ☐☐☐☐

☐ The beneficiary is a trust. If beneficiaries are named for the trust, and the owner died before his or her required beginning date, proceeds distributed may be based on the eldest primary beneficiary's single life expectancy. If the employee died after his or her required beginning date, proceeds distributed may be based on the account owner or eldest primary beneficiary's single life expectancy.

The date of birth for the calculation is: (mm/dd/yyyy)

☐☐ / ☐☐ / ☐☐☐☐

☐ The beneficiary is the employee's estate. Distributions may be based on the employee's single life expectancy if the employee died after his or her required beginning date.

FREQUENCY: *(Select one.)*

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency *(Select only one option below.)*
   ☐ Monthly ☐ Quarterly ☐ Annually *(Not available for Class B or C shares.)*
2. Transactions should begin during the month of ___________________________ (e.g., Jan., Feb., etc.)
3. Transactions should occur on the following day of the month ________ (with the exception of the 29th, 30th and 31st)

8 Series of Substantially Equal Periodic Payments *(Complete Option A or B and complete C.)*

I wish to establish a series of substantially equal periodic payments according to the following elections and based on the following information: ***(The employee must be separated from service in order to avoid the IRS 10% premature distribution penalty when choosing this option.)***
Note: Invesco will report substantially equal periodic payment distributions as a code 1 (early distribution) on the Form 1099-R. The employee is responsible for filing a Form 5329 with the IRS to report such distributions in order to avoid the 10% penalty.

A. ☐ **REQUIRED MINIMUM DISTRIBUTION METHOD.** The payment for each year should be determined by dividing my account balance for that year by my life expectancy factor, utilizing the following life expectancy table: ***(If this method is selected, proportionate is the only option available under redemption instructions.)***

☐ IRS Uniform Lifetime Table

☐ IRS Single Life Expectancy Table

☐ IRS Joint Life Expectancy Table

My eldest primary beneficiary's date of birth is: (Required only if you have elected to use the IRS Joint Life Expectancy Table.) (mm/dd/yyyy)

☐☐ / ☐☐ / ☐☐☐☐

B. ☐ **FIXED AMORTIZATION METHOD.** I have determined the payment for each year by amortizing in level amounts my account balance over a specified number of years utilizing one of the IRS life expectancy tables and a reasonable interest rate.

☐ **FIXED ANNUITIZATION METHOD.** I have determined the payment for each year by dividing my account balance by an annuity factor that is the present value of an annuity of $1 per year beginning at my age and continuing for the expectancy of my life or the joint lives of myself and my eldest primary beneficiary. The annuity factor is derived using the mortality table provided in IRS Revenue Ruling 2002-62.

☐ I would like to receive the following dollar amount from the account (net): $ ☐☐☐ , ☐☐☐ . ☐☐ . I authorize and direct IIS to redeem additional fund shares in amounts necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. I understand that this amount will be reduced by any applicable redemption fees. If you selected periodic distributions, this will be the amount of each distribution.

☐ Distribute the following dollar amount from the account (gross): $ ☐☐☐ , ☐☐☐ . ☐☐ . I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. If you selected periodic distributions, this will be the amount of each distribution.

C. **FREQUENCY:** *(Select one.)*

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency *(Select only one option below.)*
   ☐ Monthly ☐ Quarterly ☐ Annually *(Not available for Class B or C shares.)*
2. Transactions should begin during the month of ___________________________ (e.g., Jan., Feb., etc.)
3. Transactions should occur on the following day of the month ________ (with the exception of the 29th, 30th and 31st)

9 Redemption Instructions *(Make the requested distribution by redeeming shares of the following funds.)*

IIS will default to a proportionate distribution if no option is not selected.

☐ **Proportionate** - Shares will be redeemed from each fund in which your account holds shares in the proportion that such investment represents with respect to the total value of your account at the close of business on the day on which the shares are redeemed.

☐ **Distribution From Specific Fund(s)** (Please indicate the fund(s) and redemption amounts below.)

Fund Number	Fund Name	Percentage	Amount
☐☐☐☐	______________________	☐☐☐	or $ ______________________
☐☐☐☐	______________________	☐☐☐	or $ ______________________
☐☐☐☐	______________________	☐☐☐	or $ ______________________
☐☐☐☐	______________________	☐☐☐	or $ ______________________
☐☐☐☐	______________________	☐☐☐	or $ ______________________

10 Payment Options *(Complete option A or B and complete C.)*

If the address of record or bank information has changed within the past 30 days or bank information is not on file, a signature guarantee is required in section 13.

A. **BY CHECK:**

☐ Make check payable to the employee and mail to the employee's address of record.

☐ Make check payable to new custodian or plan trustee as a transfer or rollover per the attached letter of acceptance.

☐ Mail check to third party address *(Signature guarantee required in section 13.)*

Make check payable to:

Street Address *(Including apartment or P.O. box number.)*

City State ZIP

B. BY TRANSFER IN KIND:

☐ Roll over/convert proceeds in-kind into an Invesco Traditional/Rollover IRA/Roth IRA. (Please have the employee provide an existing Invesco account number or complete and attach the appropriate Invesco IRA application if participant does not have an existing account.)

☐ Existing Invesco Traditional IRA

Account Number:

☐ Existing Invesco Roth IRA

Account Number:

☐ Deposit the proceeds into my existing Invesco account in the following funds. *(Exchanges must be for shares of the same share class.)*

Fund Number	Account Number	Percentage	Amount
			or $
			or $
			or $
			or $
			or $

C. TO BANK:

☐ Wire proceeds to my bank account. *(Not available for periodic payments.)*

☐ ACH Transfer to my bank account. *(Allow 2-3 business days to receive your proceeds.)*

Bank Name

Name(s) on Bank Account

Account Type: ☐ Checking ☐ Savings

Name

Pay to the order of $

Please tape your voided check here.

Routing Number

Account Number

11 Signature of Employee or Beneficiary(ies) *(As applicable)*

I hereby affirm that the information given is true and correct, and I authorize and direct the custodian to make distributions according to the instructions provided on this form.

In addition, by signing this form, I understand and acknowledge that (i) my employer may be required to execute any and all other documents, and to provide and/or share any and all other information, necessary to comply with Section 403(b) of the Code and the final regulations promulgated there under and (ii) there is the risk that if my employer and/or the plan is not in compliance with Section 403(b) of the Code and the final regulations promulgated there under that the distribution being made by IIS under this form may be considered a disqualifying event by the Internal Revenue Service and reportable by IIS.

Signature

Date (mm/dd/yyyy)

Signature

Date (mm/dd/yyyy)

12 Signature of Employer *(The Employer's signature is required in this section if requesting a transfer of assets or distribution due to termination of employer's plan.)*

IMPORTANT: For all other distributions a Verification of Status form signed by your employer must be attached.

The information provided in connection with this request is true and accurate. If the employee intends to transfer custody of his/her ORP plan assets from Invesco to a new custodian the employer confirms that an Information Sharing Agreement (ISA) exists between the new custodian and the employer. If the employee is requesting a distribution due to the termination of the plan, the employer considers the ORP plan terminated as required by the 403(b) regulations. Furthermore, the individual signing this form on behalf of the employer referenced below hereby represents and warrants that he/she is duly authorized to execute this form on behalf of the employer and to legally bind the employer to the terms and conditions stated herein.

Signature

Date (mm/dd/yyyy)

Print Name and Title of Authorized Signer

13 Signature Guarantee

A signature guarantee is required under the following circumstances:

- The amount to be distributed is over $250,000.00.
- The proceeds will be made payable to a person other than the employee.
- The proceeds of a systematic redemption will be sent to a physical address other than the address of record on your Invesco account.
- The proceeds will be sent to a bank account not owned by the employee.
- Proceeds of an unscheduled redemption will be sent to a bank account or address that has been on your Invesco account for less than 30 days.

Signature Guarantee:

(Please place signature guarantee stamp here.)

Each signature must be guaranteed by a bank, broker-dealer, savings and loan association, credit union, national securities exchange or any other "eligible guarantor institution" as defined in rules adopted by the Securities and Exchange Commission. Signatures may also be guaranteed with a medallion stamp of the STAMP program or the NYSE Medallion Signature Program, provided that the amount of the transaction does not exceed the relevant surety coverage of the medallion. **A signature guarantee may NOT be obtained through a notary public.**

14 Mailing Instructions

After completing the form, please sign it and send it with any additional required documents to one of the addresses detailed below.

(Direct Mail)
Invesco Investment Services, Inc.
P.O. Box 4739
Houston, TX 77210-4739

(Overnight Mail)
Invesco Investment Services, Inc.
11 Greenway Plaza, Ste. 2500
Houston, TX 77046

For additional assistance please contact an Invesco client services representative at 800 959 4246, weekdays, 7 a.m. to 6 p.m. Central Time.

Visit our website at invesco.com

The Invesco website gives you 24-hour access to your mutual fund account. By using the website, you can obtain the most up-to-date information about your account.

- Check daily and quarterly account balance
- Confirm your account transaction history
- View account statements and tax forms
- Sign up for eDelivery of quarterly statements, daily transaction statements, prospectuses, reports and tax forms
- Check the current fund price, yield and total return on any fund
- Process transactions
- Retrieve account forms and investor education materials

ROLLOVER EXPLANATION FOR QUALIFIED PLANS, 403(b) PLANS, and GOVERNMENTAL 457(b) PLANS

PART I: SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS For Payments *Not* From a Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, please refer to Part II of this Rollover Explanation which serves as a supplemental notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.
If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other

than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses

- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.

- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Does Federal income tax withholding apply to my distribution?

- *Mandatory Withholding.* If any portion of your payment can be rolled over and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

- *Voluntary Withholding.* If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

- *Sixty-Day Rollover Option.* If you receive a payment that can be rolled over, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, *you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment*. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that is an eligible rollover distribution, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to an IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld.

If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including State/local withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant’s death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section “If you were born on or before January 1, 1936” applies only if the participant was born on or before January 1, 1936.

> **If you are a surviving spouse**. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.
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> An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.
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> If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.
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> **If you are a surviving beneficiary other than a spouse**. If you receive a payment from the Plan because of the participant’s death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

PART II: SUPPLEMENTAL SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
For Payments *From* a Designated Roth Account

If the payment you are receiving is NOT from a designated Roth account under your Employer's Plan, this Part II of the Rollover Explanation does not apply to you and you can disregard the following section.

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's Plan (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).

- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).

- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the earnings in your designated Roth account.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)

- Required minimum distributions after age 70½ (or after death)

- Hardship distributions

- ESOP dividends

- Corrective distributions of contributions that exceed tax law limitations

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

- Cost of life insurance paid by the Plan

- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation

- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)

- Payments made due to disability

- Payments after your death

- Payments of ESOP dividends

- Corrective distributions of contributions that exceed tax law limitations

- Cost of life insurance paid by the Plan

- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

- Payments made directly to the government to satisfy a federal tax levy

- Payments made under a qualified domestic relations order (QDRO)

- Payments up to the amount of your deductible medical expenses

- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.

- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including State/local withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

If you receive a nonqualified distribution and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

> **If you are a surviving spouse**. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.
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> A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice).

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than $1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.